

Of course, what we see is, if you listen to the gentleman from New Jersey, this is the beginning of an assault on Sarbanes-Oxley in general, because much of his speech was not about small business, it was about Sarbanes-Oxley in general, which he does not like and thinks is a terrible burden and is driving people overseas.

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It is not driving small business overseas. Nobody argues that. It is not driving small businesses off the New York Stock Exchange; they were never on it. So this is step one in the assault on Sarbanes-Oxley. It is an unnecessary assault because the SEC, under Chairman Cox, with a Republican majority and Secretary Paulson are already trying to fix this problem.

Mr. GARRETT of New Jersey. Mr. Chairman, I thank the gentleman for his comments and just point out that I also did not support No Child Left Behind, the medicare bill, the immigration bill or SOX, and I do have a No Child Left Behind bill if you would like to sign on to reform that piece of legislation.

Mr. FRANK of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. GARRETT of New Jersey. I yield to the gentleman from Massachusetts.

Mr. FRANK of Massachusetts. I voted against No Child Left Behind. I understand that. You have got nothing with Bush, and I understand that. I just felt sorry for the poor man being abandoned so much.

Mr. GARRETT of New Jersey. Mr. Chairman, I yield such time as he may consume to the gentleman from Florida (Mr. FEENEY) who has been a staunch advocate of businesses large and small and making sure that they are competitive and stay strong in this country.

Mr. FEENEY. I want to thank the gentleman from New Jersey (Mr. GARRETT) because he has a great amendment here. And I also want to recognize my chairman, Mr. FRANK, because he is a passionate advocate for doing the right thing and balancing markets and freedom versus the social good.

By the way, we are not renouncing everything that the Bush administration has done. Tax cuts and pro-growth issues, the fact that we have not had a terrorist strike since 9/11 are all a few things that we ought to recognize about the Bush administration.

But look, Congress messed up before Congressman GARRETT and I got here. We are now outsourcing because of section 404 of Sarbanes-Oxley America's 100-year lead in world capital markets. Like it or not, this was never debated in the House. It was added in the Senate; 264 words, section 404 was added. Nobody knew what the cost of this would be.

By the way, the Securities and Exchange Commission testified in the Senate that it would cost the average company \$92,000 a year. It turns out to be more like 30 times that. Being off by

30 times is bad work even by government standards. It's amazing.

I will tell you that one study published by the American Enterprise Institute and the Brookings Institute says that the drag on the American economy is equivalent to a \$1.1 trillion regulatory tax on the U.S. economy. That is about an 8 percent tax on everything we do. It is unbelievable.

The Acting CHAIRMAN. The time of the gentleman from New Jersey (Mr. GARRETT) has expired.

Mr. FEENEY. Mr. Chairman, I ask unanimous consent that the gentleman from Massachusetts and the gentleman from New Jersey each be given an additional minute.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. GARRETT of New Jersey. I yield to the gentleman from Florida.

Mr. FEENEY. I will tell you this, before Sarbanes-Oxley, foreign initial public offerings raised 90 cents of every new dollar in America. Now 90 cents of new dollar raised by international public offerings is raised overseas. We are outsourcing America's 100-year lead in capital markets.

If we want Shanghai and Hong Kong and London to be the leader in capital markets, so be it. But we are fiddling while the capital markets burn. I admire my chairman, Mr. FRANK. I think it is too little too late to let the SEC fiddle while the capital markets of America burn to their death.

Mr. REGULA. Mr. Chairman, I move to strike the requisite number of words.

I yield to the gentleman from New Jersey (Mr. GARRETT).

Mr. GARRETT of New Jersey. Mr. Chairman, just a reflection on the comments by the chairman. I appreciate the chairman wishing to defer to the expertise of the SEC. Would the chairman and the committee defer in the same manner to the SEC with regard to the issue of executive compensation as he does to the area of SOX.

The problem with the testimony that we heard in committee the other day is that after repeated questioning from both sides of the aisle as to exactly what the cost will be on business in America through the SOX reform that they are proposing right now out of the SEC on both large and small businesses, their answer was basically "we don't know."

They have had 2 years to look at it at the SEC, to come up with new rules and regulations, to try to bring down the complexity and the burden on businesses large and small. And after 2 years, they don't know.

Congress has directed them and the message has been made clear to the SEC that the burden, as the gentleman from Florida has already pointed out, is excessive and we asked them repeatedly, can you categorize this? Can you pinpoint how much, if any, savings there will be for businesses? And they say they don't know.

So until they do know, all we are asking for is a 1-year extension so that small businesses can have an opportune time to learn the new regulations that are basically being promulgated as we speak before they have to implement them.

Mr. REGULA. Mr. Chairman, I yield to the gentleman from Massachusetts (Mr. FRANK).

Mr. FRANK of Massachusetts. I thank the gentleman for yielding me time.

First, as to executive compensation, the gentleman from New Jersey, he finds inconsistencies where none exist. They are kind of like Harvey, his invisible rabbit.

On executive compensation, the SEC has said when asked that they do not have the power to do what our bill does. That is very different than Sarbanes-Oxley. With regard to Sarbanes-Oxley, Chris Cox has said I am doing this, so they are quite different.

The SEC with executive compensation said we can make them say how much it will be; if you want to go further, we have no power to do that.

That is exactly the opposite of what they have said on Sarbanes-Oxley in which they said we are fixing this, and Chris Cox said there is no reason for you to legislate.

The gentleman from New Jersey is being unfair to Chairman Cox in caricaturing him as saying "we don't know."

What he said when asked what it would cost is very straightforward: "We don't know yet." He said we are in the process of finding out because what the chairman said is we are downsizing Sarbanes-Oxley. We are downsizing it for everybody. We will know better after we see what the new requirements are for larger businesses, how much there will be saved for smaller businesses.

The fact is that the gentleman from New Jersey quite graphically misrepresented what the SEC said. The SEC did not say "we don't know," the SEC said "we will tell you after we have had some experience."

Mr. REGULA. Mr. Chairman, reclaiming my time, I yield to the gentleman from Florida (Mr. FEENEY).

Mr. FEENEY. I believe my friend from Massachusetts, who is a great chairman of the Committee on Financial Services, I would ask him: Is it true or is it not true that America's market share of capital formation and capital control has declined since Sarbanes-Oxley has been enacted?

Mr. FRANK of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. REGULA. I yield to the gentleman from Massachusetts.

Mr. FRANK of Massachusetts. The answer is "yes" for a variety of reasons, but I want to make this point. It has nothing to do with this amendment. The gentleman has proven my point. Small businesses don't do IPOs. It is not in the small business area where the decline has happened. So